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Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ADP-00 SS-15 L-03 NSC-10 CIAE-00 DODE-00

INR-10 NSAE-00 PA-03 RSC-01 USIA-12 PRS-01 MC-02

STR-08 CEA-02 CIEP-02 OMB-01 COME-00 FRB-02 TRSE-00

RSR-01 SIL-01 LAB-06 PM-09 /112 W
---------- 037071
R 110925 Z APR 73
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 3027

C O N F I D E N T I A L TOKYO 4402

E. O. 11652 GDS
TAGS: ETRD, EIND, JA
SUBJECT: IMPORT RESTRICTIONS: PLANNED LIBERALIZATION OF
COMPUTERS AND IC' S

SUMMARY. MITI HAS ADVISED EMBASSY THAT IT EXPECTS TO
ANNOUNCE IN NEXT FEW DAYS LIBERALIZATION OF
ELECTRONIC DIGITAL CALCULATING MACHINES AS WELL AS TO
LIBERALIZE IMPORTS OF IC' S OF UP TO 200 ELEMENTS.
IN ADDITION, DECISION EXPECTED BY END OF MONTH ON RE-
MAINING QUOTAS ON THESE ITEMS, WITH EXPECTATION THAT
IC' S WILL BECOME FULLY LIBERALIZED IN APRIL 1974 AND
COMPUTERS IN 1976. END SUMMARY.

1. KOMATSU (DIRECTOR GENERAL, INTERNATIONAL TRADE
BUREAU MITI) CALLED IN ECON/ MIN APRIL 10 TO ADVISE
HIM OF TWO ACTIONS GOJ PLANS TO TAKE APRIL 13 ON IMPORT
LIBERALIZATION. THESE ACTIONS ARE LIBERALIZATION OF
BTN 84.52 (ELECTRONIC DIGITAL CALCULATING MACHINES) AND
LIBERALIZATION OF BTN 85.21 (SEMI - CONDUCTORS AND
INTEGRATED CIRCUITS) UP TO 200 ELEMENTS AS OPPOSED TO
PRESENT LIMIT OF 100 ELEMENTS. ACCORDING TO KOMATSU,
THESE ACTIONS MUST STILL BE APPROVED BY LIBERAL DEMOCRATIC
PARTY COMMITTEES AND THEN PRESENTED BY MITI MINISTER
NAKASONE TO CABINET APRIL 13. UNDER THIS TIMETABLE
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LIBERALIZATION MEASURES ARE EXPECTED TO TAKE EFFECT DURING WEEK OF APRIL 16.

2. REGARDING FURTHER LIBERALIZATION OF PRINCIPAL COMPUTER CATEGORIES AND IC' S, KOMATSU STATED DECISION WOULD BE TAKEN BY PRIME MINISTER BEFORE END OF APRIL. KOMATSU EXPECTS DECISION WILL BE LIBERALIZATION OF ALL IC' S IN APRIL 1974 AND THE TWO REMAINING COMPUTER CATEGORIES IN 1976. SINCE HE NOT AUTHORIZED DISCUSS POSSIBLE DECISION AND HE EXPRESSED VIEWS UNOFFICIALLY, KOMATSU REQUESTED THAT HIS REMARKS BE TREATED AS CONFIDENTIAL AND THAT HE BE PROTECTED AS SOURCE.

3. ECON/ MIN, WHILE EXPRESSING SATISFACTION WITH GOJ NOW SERIOUSLY MOVING IN THE RIGHT DIRECTION, NOTED THAT IMMEDIATE ACTIONS APPEARED TO BE RELATIVELY MINOR AND THAT COMPUTER LIBERALIZATION STILL OFF IN THE DISTANCE. KOMATSU, IN RESPONSE, ASSERTED THAT: (A) IC' S UP TO 200 ELEMENTS ACCOUNTED FOR 20 PER CENT OF VALUE AND BETWEEN 30 AND 40 PER CENT OF VOLUME OF JAPANESE IC IMPORTS AND (B) SINCE LARGE COMPUTERS MUST BE ORDERED TWO YEARS AHEAD OF DELIVERY AND SMALL ONES ONE YEAR AHEAD, IN FACT COMPUTER LIBERALIZATION WOULD BE TAKING PLACE ONE AND TWO YEARS RESPECTIVELY FROM NOW. IN LATTER CONNECTION HE NOTED GREAT FEAR IN JAPAN OF COMPETITION FROM IBM AND STATED THAT RECENT COMPETITIVE MOVES BY IBM (IN PARTICULAR GIFT OF SECONDHAND COMPUTERS TO SCHOOLS) HAD RENDERED MORE DIFFICULT MITI' S TASK OF GAINING ACCEPTANCE FOR LIBERALIZATION MOVES. ECON/ MIN STATED HE FELT CONFIDENT WASHINGTON WOULD BE SORELY DISAPPOINTED, PARTICULARLY IN PROPOSED TIMING FOR COMPUTER LIBERALIZATION. RATIONALIZATION OF ONE TWO TWO YEAR TIME PERIOD UNPERSUASIVE SINCE IT HIGHLY QUESTIONABLE US FIRMS WOULD ACCEPT ORDER AND BEGIN CONSTRUCTION ON BASIS GOJ PLAN TO PERMIT LIBERALIZATION ON DATE TWO YEARS HENCE.
INGERSOLL

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*** Current Handling Restrictions *** n/a
*** Current Classification *** CONFIDENTIAL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO04402
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730439/aaaaieke.tel
Line Count: 106
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 06 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Nov-2001 by smithrj>; APPROVED <23-Nov-2001 by elyme>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971222
Subject: IMPORT RESTRICTIONS: PLANNED LIBERALIZATION OF COMPUTERS AND IC' S
TAGS: EIND, ETRD, JA
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SECSTATE WASHDC
Type: TE
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